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ANO·WILSON ² 1000 • LAS VECAS, NEVADA 89102-4354 FAX (702) 873-9966	11
ILSC NEVADA	12
S VEGAS, N 873-9966	13
CARANO·WILSONUS. 0, SUITE 1000 • LAS VEGAS, NEVADA 89102- 33-4100 • FAX (702) 873-5966	14
CAR 10, SUITE 73-4100:	15
NALD-CAR AVENUE - NO 10, SUTTE PHONE (702) 873-4100	16
MCDONALD.CAR/ WEST SAHARA AVENUE • NO 10, SUITE 1 PHONE (702) 873-4100 • F	17
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JEFFREY A. SILVESTRI, ESQ. Nevada Bar No. 5779 JOSEPHINE BINETTI McPEAK, ESQ. Nevada Bar No. 7994 McDONALD CARANO WILSON LLP 2300 West Sahara Avenue No. 10, Suite 1000 Las Vegas, Nevada 89102 Telephone: (702) 873-4100 Fax: (702) 873-9966 Attorneys for Plaintiff

Additional Counsel For Plaintiff Philip Morris USA Inc listed on signature page

UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF NEVADA

PHILIP MORRIS USA INC.,

CASE NO.

Plaintiff,

VS.

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AMERICAN MINI MARKET INC., a Nevada corporation doing business as AMERICAN MINI MARKET; ARCH DRUG & SPORTING GOODS, INC., a Nevada corporation doing business as ARCH LIQUORS; CECILIA PACHECO, individually and doing business as MERCADO LOS PAISANOS; ENRIQUE MATA, individually and doing business as CARNICERIA EL MEXICANO: GERARDO VARELA, individually and doing business as CARNICERIA GUADALAJARA; HOA VAN LE, individually and doing business as SUNSHINE MARKET; IVY ALBANA, individually and doing business as MONTEREY MARKET: SALVADOR ALBANA, individually and doing business as MONTEREY MARKET; LA FERIA, L L.C., a Nevada corporation doing business as LA FERIA;

COMPLAINT FOR:

- (1) VIOLATIONS OF THE LANHAM ACT -- § 32 (15 U.S.C. § 1114);
- (2) VIOLATIONS OF THE LANHAM $ACT - \S 43(a) (15 \text{ U.S.C. } \S 1125(a));$
- (3) NEVADA COMMON LAW UNFAIR **COMPETITION AND** TRADEMARK INFRINGEMENT

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LENARD LOPER, individually and doing business as RAINBOW MARKET #3; M AND H TRADING. INC, a Nevada corporation doing business as M & H TRADING DISCOUNT FOOD MART: MARIA'S MARKET, an unknown business entity; MARK SCHNIPPEL, individually and doing business as EXPRESS MART 2; MARTIN AVILA, individually and doing business as THE ONE STOP; ROSENDO NUNEZ, individually and doing business as LOS ALAMITOS; SALVADOR AYALA, individually and doing business as ROSITAS MARKET: ROSITAS MARKET INCORPORATED, a Nevada corporation doing business as ROSITAS MARKET; SARA SEGURA, individually and doing business as LA CUSCATLECA; and DOES ONE through TWENTY, inclusive,

Defendants.

Plaintiff PHILIP MORRIS USA INC. ("Philip Morris USA"), for its complaint herein against all entities as set forth on Exhibit A (collectively "Defendants"), attached hereto and incorporated by reference, alleges as follows:

JURISDICTION AND VENUE

- This Court has jurisdiction over this action pursuant to: (i) 28 U.S.C. §§ 1331, 1338(a) and (b); (ii) 15 U.S.C. §1121, as an action for violation of the Lanham Act, 15 U.S.C. §§ 1051, et seq.; and (iii) 28 U.S.C. § 1367(a), pursuant to the principles of supplemental jurisdiction.
- Philip Morris USA is informed and believes and thereupon alleges that venue is proper in this district pursuant to 28 U.S.C. § 1391(b) in that, among other things, Defendants reside or are found in this judicial district and a substantial part of the events or omissions giving rise to the claims herein occurred in this judicial district.

NATURE OF THE ACTION

This is an action for: (i) infringement of registered trademarks in violation of Section 32 of the Lanham Act, 15 U.S.C. § 1114; (ii) false designation of origin and trademark and

trade dress infringement in violation of Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a); and (iii) unfair competition and trademark infringement in violation of the common law of the State of Nevada. As described more fully below, Defendants have sold, offered for sale, or otherwise contributed to the sale of counterfeit MARLBORO® and/or MARLBORO LIGHTS® brand cigarettes, and are therefore liable for direct and/or contributory infringement of Philip Morris USA's lawfully owned trademarks and trade dress. Defendants' conduct has produced and, unless enjoined by this Court, will continue to produce widespread consumer confusion and deception as well as irreparable injury to Philip Morris USA.

- For several decades, Philip Morris USA has used, in connection with its tobacco products, the MARLBORO® mark and various other trademarks incorporating the word MARLBORO® and/or the MARLBORO Roof Design Label® mark, a pentagonal figure with a horizontal top and two vertical sides with two upwardly and inwardly sloping diagonals (collectively, the "Marlboro Marks"). Philip Morris USA has spent substantial time, effort and money advertising and promoting the Marlboro Marks throughout the United States, and these marks have consequently developed significant goodwill, have become distinctive, and have acquired secondary meaning.
- In a blatant attempt to profit from Philip Morris USA's substantial investment in its Marlboro Marks, Defendants have sold cigarettes in packaging that bears spurious marks that are either identical with or substantially indistinguishable from the Marlboro Marks. Consumers naturally would expect that cigarettes sold in packaging that bears the famous Marlboro Marks would be manufactured or licensed or sponsored by, or affiliated with, Philip Morris USA. However, Philip Morris USA has confirmed that the cigarettes at issue were not manufactured licensed or sponsored by Philip Morris USA and are counterfeit. Thus, consumers will be confused and/or disappointed by the differences between the counterfeit cigarettes and the genuine

MARLBORO® and/or MARLBORO LIGHTS® cigarettes manufactured and sold by Philip Morris USA or its affiliates

As a result of Defendants' actions, Philip Morris USA is suffering a loss of the enormous goodwill Philip Morris USA created in its MARLBORO® and/or MARLBORO LIGHTS® products and is losing profits from lost sales of genuine products. This action seeks permanent injunctive relief and damages for Defendants' infringement of Philip Morris USA's intellectual property rights.

THE PARTIES

- 7 Plaintiff Philip Morris USA is a corporation organized and existing under the laws of the Commonwealth of Virginia with its principal place of business at 6601 West Broad Street, Richmond, Virginia 23230
- 8. Defendants' names, entity types and addresses are set forth in Exhibit A, attached hereto and incorporated herein by reference.
- 9 Philip Morris USA does not know the true names and capacities of the Defendants sued herein as Does One through Twenty inclusive, and therefore sues these Defendants by such fictitious names Philip Morris USA will amend this Complaint to allege the true names and capacities of these Defendants when it ascertains the same

FACTS GIVING RISE TO THE ACTION

A. The Sale of Counterfeit Cigarettes

- Philip Morris USA manufactures cigarettes, including the famous MARLBORO® brand, for sale in the United States. Retail establishments throughout the United States offer these cigarettes for sale to the adult public.
- Between December 2004 and February 2005, an investigator under contract with Philip Morris USA purchased one or more packs (20 cigarettes per pack) of cigarettes bearing the

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MARLBORO® and/or MARLBORO LIGHTS® marks, from each of the named Defendants' retail establishments. The dates of these purchases are listed in Exhibit A, attached hereto.

12. The investigators delivered the purchased packs of cigarettes to a Philip Morris USA facility Philip Morris USA personnel then examined the cigarette packs using a series of proprietary inspection methods and conclusively determined one or more of the packs purchased from each of these Defendants' retail establishments was counterfeit.

B. The Likelihood of Confusion and Injury Caused by Defendants' Actions

13. Counterfeit MARLBORO® and/or MARLBORO LIGHTS® brand cigarettes are not the same or of the same quality as those manufactured and sold by Philip Morris USA under the same brand name. As such, consumers who purchase counterfeit MARLBORO® and/or MARLBORO LIGHTS® brand cigarettes likely will be confused and/or disappointed by the differences between the counterfeit cigarettes and the genuine MARLBORO® and/or MARLBORO LIGHTS® brand cigarettes. In addition, the sale of counterfeit MARLBORO® and/or MARLBORO LIGHTS® brand cigarettes is likely to cause confusion among consumers regarding Philip Morris USA's sponsorship or approval of the counterfeit cigarettes. As a result of Defendants' actions, Philip Morris USA is suffering a loss of the enormous goodwill Philip Morris USA created in its MARLBORO® products and is losing profits from lost sales of genuine products.

C. The Infringed Trademarks

14. Philip Morris USA is the United States owner of the famous Marlboro Marks under which the MARLBORO® cigarettes are sold and are among the most valuable trademarks in the world The "Marlboro Marks" include, without limitation, MARLBORO® and MARLBORO LIGHTS® Philip Morris USA has invested substantial time, effort and money in advertising and promoting the Marlboro Marks throughout the United States. The vast majority of MARLBORO®

advertising and promotional activities display the Roof Design label mark and/or a MARLBORO® word mark. As a result, the Marlboro Marks are reportedly among the most widely recognized trademarks in the United States, and Philip Morris USA has developed significant goodwill in these marks

Philip Morris USA is the registered owner of the following trademarks on the Principal Register of the United States Patent and Trademark Office ("USPTO"), all of which are valid, subsisting and incontestable pursuant to 15 U.S.C. § 1065:

Registration	Registration	Trademark
Number	Date	
68,502	April 14, 1908	MARLBORO
938,510	July 25, 1972	MARLBORO Red Label
1,039,412	May 11, 1976	MARLBORO LIGHTS
1,039,413	May 11, 1976	MARLBORO LIGHTS Label

True and correct copies of these registration certificates and/or computer printouts from the records of the USPTO are attached hereto as Exhibits B through E.

Defendants threaten to continue to commit the acts complained of herein, and unless restrained and enjoined, will continue to do so, all to Philip Morris USA's irreparable damage.

FIRST CLAIM FOR RELIEF (For Infringement of Registered Trademarks in Violation of Section 32 of the Lanham Act, 15 U.S.C. § 1114(1))

- Philip Morris USA specifically realleges and incorporates herein by reference each and every allegation contained in Paragraphs 1 through 16 hereof.
- 18. The acts of Defendants alleged herein constitute the use in commerce, without the consent of Philip Morris USA, of a reproduction, counterfeit, copy or colorable imitation of one or more of the Marlboro Marks in connection with the sale, offering for sale, distribution, or

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advertising of goods, which use is likely to cause confusion or mistake, or to deceive consumers and therefore infringe Philip Morris USA's rights in one or more of the Marlboro Marks, in violation of Section 32(1) of the Lanham Act, 15 U.S.C. Section 1114(1).

19. Philip Morris USA has no adequate remedy at law for the foregoing wrongful conduct. Philip Morris USA has been, and absent injunctive relief will continue to be, irreparably harmed by Defendants' actions.

SECOND CLAIM FOR RELIEF

(For False Designation of Origin and Trademark and Trade Dress Infringement in Violation of Section 43(a)(1)(A) of the Lanham Act, 15 U.S.C. § 1125(a)(1)(A))

- 20... Philip Morris USA specifically realleges and incorporates herein by reference each and every allegation contained in paragraphs 1 through 19 hereof.
- 21. The acts of Defendants alleged herein constitute the use in interstate commerce of a word, term, name, symbol, or device, or any combination thereof, or false designation of origin, in connection with the sale, or offering for sale, of goods in violation of section 43(a)(1)(A) of the Lanham Act, 15 U.S.C § 1125(a)(1)(A). These acts of Defendants are likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection or association of Defendants with Philip Morris USA, or as to the origin, sponsorship or approval of counterfeit cigarettes by Philip Morris USA
- 22.. Philip Morris USA has no adequate remedy at law for the foregoing wrongful conduct Philip Morris USA has been, and absent injunctive relief will continue to be, irreparably harmed by Defendants' actions.

THIRD CLAIM FOR RELIEF (For Unfair Competition in Violation of Nevada State Common Law)

23. Philip Morris USA specifically realleges and incorporates herein by reference each and every allegation contained in paragraphs 1 through 22 hereof.

24. Defendants' conduct, as alleged above, constitutes unfair competition under Nevada State common law. Defendants' acts have resulted in the "passing off" of Defendants' products as those of Philip Morris USA, or as somehow related or associated with, or sponsored or endorsed by, Philip Morris USA.

25. Philip Morris USA has no adequate remedy at law for the foregoing wrongful conduct. Philip Morris USA has been, and absent injunctive relief will continue to be, irreparably harmed by Defendants' actions

WHEREFORE, Plaintiff Philip Morris USA Inc. prays for judgment as follows:

- A For judgment that:
 - (i) Defendants have violated Section 32 of the Lanham Act, 15 U.S.C. § 1114;
 - (ii) Defendants have violated Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a); and
 - (iii) Defendants engaged in unfair competition in violation of the common law of the State of Nevada.
- B For an injunction restraining and enjoining Defendants and their divisions, subsidiaries, officers, agents, employees and attorneys, and all those persons in active concert or participation with them who receive actual notice of the order by personal service or otherwise, from (i) purchasing, distributing, selling, or offering for sale, counterfeit MARLBORO® and/or MARLBORO LIGHTS® brand cigarettes; or (ii) using the Marlboro Marks or trademarks confusingly similar therewith or the MARLBORO® and/or MARLBORO LIGHTS® trade dress or trade dress confusingly similar therewith with the exception of the sale and, offering for sale of genuine MARLBORO® and/or MARLBORO LIGHTS® cigarettes.
- C. For an order (i) requiring Defendants to account for and pay over to Philip Morris
 USA all of Defendants' profits derived from their unlawful conduct, to the full extent provided for

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D. For costs of suit, including attorneys fees where appropriate, and for such other and further relief as the Court shall deem appropriate.

Dated this 19 day of January, 2006.

McDONALD CARANO WILSON LP

By

MEFFREN SILVESTRI (NV Bar No. 5779)

JOSEPHINE BINETTI McPEAK (NV Bar No. 7994)

2300 West Sahara Avenue, Suite 1000

Las Vegas, Nevada 89102

John C. Ulin (CA State Bar No. 165524) (pro hac vice pending)
Patricia K. Oliver (CA State Bar No. 193423) (pro hac vice pending)
HELLER EHRMAN LLP

333 South Hope Street, 39th Floor

Los Angeles, CA 90071 Telephone: (213) 689-0200 Facsimile: (213) 614-1868

Attorneys for Plaintiff

112268 1

EXHIBIT A

EXHIBIT A

DEF. NO.	DEF. NO. STORE NAME	ADDRESS	CITY	STATE	ZID	OMNEBIS	TEAS VIIG
Ļ	AMERICAN MINI MARKET	2564 LAS VEGAS BOULEVARD #N	NORTH LAS VEGAS	≥N	89030	89030 AMERICAN MINI MARKET INC	19/09/2004
2	ARCH LIQUORS	235 VIRGINIA STREET	RENO	À	89501	APCH DRIGE & SPORTING GOODS INC.	12/02/2004
3	CARNICERIA EL MEXICANO	2510 E. LAKE MEAD BOULEVARD #C	NORTH LAS VEGAS	≩	89030	ENRIQUA MATA	12/15/2004
4	CARNICERIA GUADALAJARA	2162 N. LAMB BOULEVARD #C-D	LAS VEGAS	≩	89115	GERARDO VARELA	12/02/2004
5	EXPRESS MART 2	5075 E. WASHINGTON AVENUE	LAS VEGAS	N	89110	89110 MARK SCHNIPPEL	12/01/2004
9	LA CUSCATLECA	1909 E. CHARLESTON BOULEVARD	LAS VEGAS	2	89104	SARA SEGURA	12/10/2004
Ĺ	LA FERIA	3851 PENNWOOD AVENUE #B24	LAS VEGAS	2	89102	89102 LA FERIA. L.C.	12/18/2004
8	LOS ALAMITOS	2784 E. CHARLESTON	LAS VEGAS	≥	89104	ROSENDO NUNEZ	12/10/2004
6	M & H TRADING DISCOUNT FOOD MART 235 N. EASTERN AVENUE	235 N. EASTERN AVENUE #27	LAS VEGAS	≥	89101	M AND H TRADING, INC.	12/06/2004
10	MARIAS MARKET	2500 E. CHEYENNE AVENUE	NORTH LAS VEGAS	2	89030	1 PE	12/08/2004
11	MERCADO LOS PAISANOS	3131 N. RANCHO DRIVE #B	LAS VEGAS	N		CECILIA PACHECO	12/16/2004
12	MONTEREY MARKET	1000 E. CHARLESTON BOULEVARD #10	LAS VEGAS	N	89104	IVY ALBANA	12/16/2004
13	RAINBOW MARKET #3	1594 N. NELLIS BOULEVARD	LAS VEGAS	2	89110	LENARD LOPER	12/01/2004
14	ROSITAS MARKET	1514 S. MAIN STREET	LAS VEGAS	2	89104	SALVADOR AYALA	12/07/2004
15	SUNSHINE MARKET	861 N. NELLIS BOULEVARD #1	LAS VEGAS	Ş	89110	HOA VAN LE	12/02/2004
16	THE ONE STOP	1701 STATE HIGHWAY 168	MOAPA	ş	89025	89025 MARTIN AVILA	12/18/2004

BEST AVAILABLE COPY

TRADE-MARK.

No. 68,502.

LIGISTERED APR. 14, 1908

PHILIP MORRIS & CO., LTD.
CIGARETTES.
APPLICATION FILED OUT 17, 1907

MARI BORO

Proprietor
Philip Norrie & to, Llt

By belle St. Decker

Republisher

ACCEPTED

AFFIDAVIT SEC. 8 AFFIDAVIT SEC. 15 RECEIVED 3-30-54

Under Sec. 12 (c) 1945 Act **建派 2219**辐

> C.502. CIGARETTES. Registered April 14, 1908. PHILLIP Monais & Co. Ltd., Renewed April 14, 1928. to Phillip Morris & Co. Lad. Incorporated, New York, N., Y., a Corporation of Alirginia assigner.

65 502 MARLINGRO R give red Apr. 14, 1968, Thillip [502] MARKAROSCI A EISCOPEI APP. 14, 1908. I Hillip Morris & Co. Ltd. Reproduced Apr. 14, 1918. to 1910in Morris & Co. Ltd. Incorporate I, New York, N. Y. a cor-poration of Virginia. CURARETTES. Class 17.

UNITED STATES PATENT OFFICE.

PHILIP MORRIS & CO., LTD. OF NEW YORK, N. Y

TRADE-MARK FOR CIGARETTES.

No. 68,502.

Statement and Declaration.

Registered April 14, 1908

Application filed October 17, 1907., Serial No. 30 646

STATEMENT.

To all whom it may concern:

Be it known that Purity Mounts & Co., Lid a corporation duly organized under the laws of the State of New York, and located in the city of New York, county of New York, in said State, and doing business at 402 West Broadway, in said city, has adopted for its use the trade-mark shown in the accompanying drawing, for eigenettes, in Class 17. Tes Faccio products

The trade-mark has been continuously

used in the business of said corporation and in the business of its predecessor. Philip Morris & Co Ltd., of London, Ungland, since

The trade-mark is applied or affixed to the goods, or to the packages containing the same by placing then on a printed label on which the trade-mark is shown

PHILIP MORRIS & CO., Late By HERBERT J., ALDRICH. President.

DECLARATION.

State of New York county of New York &: depiers and eave that he is the president of trade-mark as actually used upon the goods; the corporation, the applicant named in the foregoing statement; that he believes the foregoing statement is true; that he believes sail corporation is the owner of the trademark sought to be registered; that no other person, firm, corporation or association, to the hest of his knowledge and belief, has the right to use said trade-mark, either in the identical form or in any such near resentblance thereto as might be calculated to decerve; that said mark is used by said corporation in commerce among the several States of the United States; that the drawing present-

ed truly represents the trade-mark sought to he registered; that the specimens show the and that the mark has been in actual use as a trade-mark of the applicant for ten years next preceding the passage of the act of February 20, 1905, and that, to the best of his knowledge and helief such use has been exchisive

HERBERT L. ALDRECH.

Subscribed and sworn to before me this 10th day of January, 1908.

DAVID TISCHER Notary Public 122 Kings County Certificate filed in New York County Latest Status Info

Page 1 of 2

Thank you for your request. Here are the latest results from the <u>TARR web server</u>.

This page was generated by the TARR system on 09/03/2002 12:30:34 ET

Serial Number: 71030646

Registration Number: 68502

Mark

Marlboro

(words only): MARLBORO

Current Status: This registration has been renewed.

Date of Status: 1988-11-07

Filing Date: 1907-10-17

Registration Date: 1908-04-14

Law Office Assigned: Unknown

If you are the applicant or applicant's attorney and have questions about this file, please contact the Trademark Assistance Center at <u>Trademark Assistance Center</u>.

mailto:TrademarkAssistanceCenter@uspto.gov

Current Location: 900 -Unknown

Date In Location: 2001-10-18

CURRENT APPLICANT(S)/OWNER(S)

1 PHILIP MORRIS INCORPORATED

Address:

PHILIP MORRIS INCORPORATED 100 PARK AVENUE NEW YORK, NY 10017

United States

State or Country of Incorporation: Virginia

Legal Entity Type: Corporation

L'atest Status Info

Page 2 of 2

GOODS AND/OR SERVICES

CIGARETTES

U.S. Class: 017 (International Class 034)

First Use Date: 18830000

First Use in Commerce Date: 18830000

Basis: 1(a)

ADDITIONAL INFORMATION

(NOI AVAILABLE)

PROSECUTION HISTORY

1988-04-14 - Registration renewed - 20 year

1988-04-08 - Section 9 filed/check record for Section 8

1968-04-14 - Registration renewed - 20 year

CONTACT INFORMATION

Correspondent (Owner)
ROBERT J. ECK

PHILIP MORRIS INCORPORATED

100 PARK AVENUE

NEW YORK, NY 10017

United States

EXHIBIT C

United States Patent Office

938,510

Registered July 25, 1972

PRINCIPAL REGISTER Trademark

Ser. No. 387,884, filed Mar. 30, 1971



Philip Morris Incorporated (Virginia corporation) 100 Park Ave New York, N Y 10017

For: CIGARETTES, in CLASS 17 (INI. CL. 34). First use 1883; in commerce 1883. Applicant disclaims the words "Filter Cigarettes" apart from the mark as shown.

The drawing is lined to indicate the colors red and gold and these colors are used and claimed as a feature of the mark.

Owner of Reg. Nos. 68,502, 854,007, and others

Int. Cl.: 34

Prior U.S. CL: 17

United States Patent Office

Reg. No. 1,039,412 Registered May 11, 1976

TRADEMARK

Principal Register

MARLBORO LIGHTS

Philip Morris Incorporated (Virginia corporation) 100 Park Ave... New York, N.Y. 10017 For: CIGARETTES, in CLASS 17 (INT. CL. 34). First use Aug. 25, 1971; in commerce Aug. 25, 1971. The word "Lights" is expressly disclaimed apart from the mark in its entirety.

Owner of Reg. Nos. 68,502, 878,062, and others.

Ser. No. 401,870, filed Sept. 2, 1971.

EXHIBIT E

Int. Cl.: 34

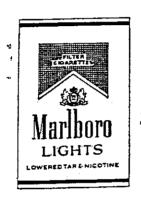
Prior U.S. Cl.: 17

United States Patent Office

Reg. No. 1,039,413 Registered May 11, 1976

TRADEMARK

Principal Register



Philip Morris Incorporated (Virginia corporation) 100 Park Ave. New York, N.Y. 10017

For: CIGARETTES, in CLASS 17 (INT. CL. 34). First use not later than Sept. 2, 1971; in commerce not

later than Sept. 2, 1971.

The word "Lights" is expressly disclaimed apart from

the mark in its entirety.

The words "Veni-Vidi-Vici" are Latin and mean "I came, I saw, I conquered."

Owner of Reg. Nos. 68,502, 760,533, and others.

Ser. No. 430,002, filed July 17, 1972.